

RALPH DLG. TORRES
Governor



ARNOLD I. PALACIOS
Lieutenant Governor

COMMONWEALTH of the NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

March 12, 2019

GOV19-085

The Honorable Gregorio C. Sablan
Congressman
Congress of the United States
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Sablan:

I write to request your urgent assistance to mitigate the anticipated impact of the expiration of the expanded Affordable Care Act ("ACA") funding on the CNMI Medicaid program. We have known that the CNMI's Medicaid beneficiaries would be facing a reduction in services following the expiration of these funds. The loss of these resources is now further impacted by the damaging effects of Super Typhoon Yutu on the CNMI's healthcare system and government resources.

In properly managing the additional funds providing under the ACA, the CNMI Medicaid Office has been diligent in their steady expense of all available Medicaid funds. The Medicaid Office is on track to exhaust the available funding provided by the ACA in the upcoming quarter. Currently the CNMI Medicaid Office has on hand \$270,000 of ACA funds remaining.

The CNMI has been aware of the impending loss of the expanded ACA funds and has executed a process to ensure benefits were increased to the Medicaid beneficiary population for the period in which the funds were available. This process was successful in providing greater levels of care to the CNMI population and, in the wake of the nation's worst storm in generations, the need for emergency funding to meet the needs of a community still in recovery is dire.

The financial state of the CNMI government has been severely impacted by the loss of economic activity following Super Typhoon Yutu. Further, the cost of reconstruction will continue to represent a significant and unexpected budget obligation. Following Super Typhoon Yutu's impact on the CNMI economy in the first quarter of fiscal year 2019, my administration was required to adjust the budget authority downward by \$12,048,000 – or 4.7% of the original estimated resources for the year. The issues caused upon our economy will continue to compound as the tourism industry is not anticipated to return to pre-typhoon levels for several months.

In this environment, the ability for the CNMI to continue adequate funding for the local share of its Medicaid program is in jeopardy without the emergency action of Congress.

Congress has already provided this action in Puerto Rico and in the US Virgin Islands, providing billions of additional dollars at 100% federal match for two years in response to Typhoons Maria and Irma.

This is a matter of equity in the treatment of territorial issues and resources following disaster. I support the proposed provisions to provide the CNMI \$36 million in additional Medicaid money to support the Medicaid population at 100% federal share, but must acknowledge that, much like the situation experienced in Puerto Rico and the US Virgin Islands, multi-year support of this effort is vital toward keeping the CNMI's healthcare system solvent.

Your support of these efforts is necessary and urgent. I stand ready to be of assistance.

Sincerely,



RALPH DLG. TORRES
GOVERNOR